

FY 2024 ANNUAL PERFORMANCE PLAN FY 2022 ANNUAL PERFORMANCE REPORT

United States Patent and Trademark Office



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THE USPTO AT A GLANCE

HISTORY AND ENABLING LEGISLATION

The United States Patent and Trademark Office (USPTO) is the federal agency that grants patents, registers trademarks, and advises the Administration, through the Secretary of Commerce, on intellectual property (IP) policy. Throughout this document, IP refers to patents, trademarks, copyrights, and trade secrets.

In its role, the USPTO:

- Fulfills the mandate of article I, section 8, clause 8 of the Constitution, which grants the Legislative Branch the power to “promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries”; and
- Supports effective administration of the Commerce Clause of the Constitution (article I, section 8, clause 3), whose purpose is “[t]o regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.”

The USPTO is an agency with origins dating back to the earliest days of the nation. The first patent law was enacted on April 10, 1790, by President George Washington, and the agency became a distinct bureau in 1802. Since its formation, the USPTO has been a part of the Department of State and the Department of the Interior, and in 1925, it became a part of the Department of Commerce (DOC). In 1870, trademark registration was added to the functions of the USPTO.

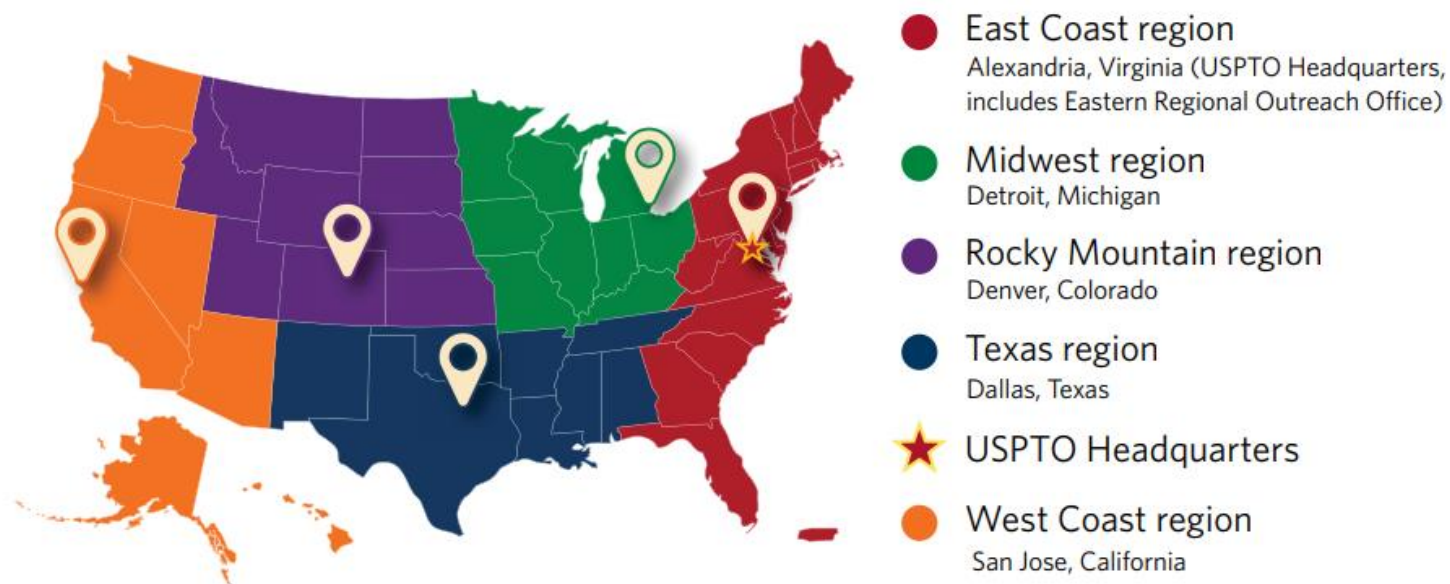
The United States has become one of the most innovative and prosperous countries in the world, in part because of our strong IP system, which helps drive job creation, economic development and prosperity, U.S. competitiveness, and national security. Our IP system incentivizes and protects the deep investment of time, money, resources, and collaboration needed to solve problems, deliver solutions, and enrich the lives of many Americans.

Given that IP rights are largely governed by individual countries, it is important for U.S. companies to protect their ideas and brands in the countries in which they plan to do business. To accomplish this, the United States works with other

governments to support strong and transparent IP rights. The USPTO helps lead Administration efforts to improve IP protection and enforcement around the world, including by providing education and capacity building for foreign governments, representing the United States at international forums and organizations, concluding and implementing cooperative agreements with counterpart national IP offices, and supporting the U.S. Trade Representative in negotiating the IP provisions of U.S. trade agreements.

LOCATION

The USPTO is headquartered in Alexandria, Virginia. We maintain regional offices in Dallas, Texas; Denver, Colorado; Detroit, Michigan; and San Jose, California, and an Eastern Regional Outreach Office in Alexandria (located within the USPTO headquarters). The agency employs approximately 13,000 professionals at its headquarters and regional offices and in remote work locations through its robust telework program. The USPTO is a majority-minority organization with a highly skilled and dedicated workforce that is committed to delivering excellence to the innovators, creators, entrepreneurs, brand owners, and other IP stakeholders we serve each day, as well as to expanding that base of stakeholders for the good of our country.



BUDGET AUTHORITY

The USPTO's Fiscal Year (FY) 2022 appropriation level was approximately \$4,058.4 million. The USPTO's FY 2023 appropriation level was approximately \$4,253.4 million. For FY 2024, the USPTO has requested appropriation authority to spend approximately \$4,196 million.

WEBSITE

The USPTO's internet address is [uspto.gov](https://www.uspto.gov).

DRAFT MISSION

Drive U.S. innovation, inclusive capitalism, and global competitiveness

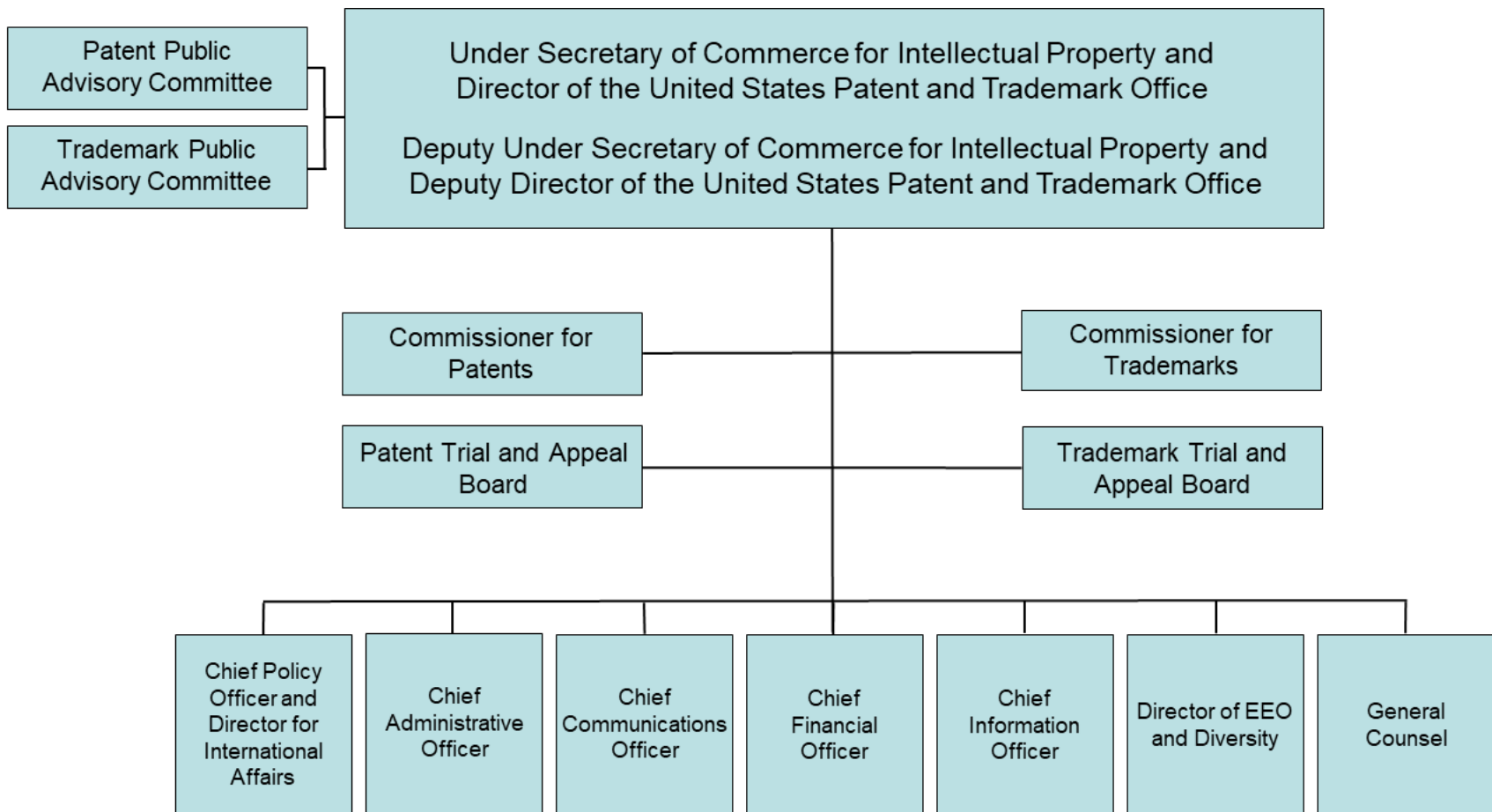
DRAFT VISION

Unleashing America's Potential

ORGANIZATIONAL STRUCTURE

The USPTO is led by the Under Secretary of Commerce for Intellectual Property and Director of the USPTO. The Patent Public Advisory Committee and the Trademark Public Advisory Committee advise the Under Secretary. The USPTO is composed of two programs that operate as business lines: patents and trademarks. The Commissioner for Patents leads the Patents organization in achieving the USPTO patent program goals, and the Commissioner for Trademarks leads the Trademarks organization in achieving the USPTO trademark program goals.

The USPTO's other business units provide mission support functions such as: IP policy and international issues; information technology; human resources; financial, legal, and administrative services; equal employment opportunity (EEO); and communications.



BACKGROUND ON STRATEGIC PLANNING AND REQUIRED REPORTING

Prior to FY 2022, the USPTO issued a Performance and Accountability Report (PAR). The PAR provided an annual account of both the USPTO's financial outlook and performance. In FY 2022, the USPTO aligned its reporting structure with DOC's by issuing an Agency Financial Report (AFR) and an Annual Performance Plan and Report (APPR). These reports are located on the [USPTO's annual reports](#) page. The USPTO also provided input into DOC's APPR. DOC's APPRs are posted on [performance.gov](#) for public view.

This APPR document serves two purposes. First, it provides detailed performance information on the results achieved during FY 2022. Second, it sets performance indicator targets for the next two fiscal years. These targets represent the level of performance that core programs seek to achieve in the future. Current performance indicators and targets are aligned with the strategic objectives (SOs) in [DOC's Strategic Plan | 2022-2026](#). The USPTO's APPR will be sent to Congress with the President's Budget Justification. It will report all finalized performance indicator results for FY 2022 and set finalized targets for FY 2023 and FY 2024 in consideration of the FY 2024 President's Budget and the [draft USPTO 2022-2026 Strategic Plan](#).

The draft USPTO 2022-2026 Strategic Plan defines the USPTO's mission to drive U.S. innovation, inclusive capitalism, and global competitiveness for the benefit of all Americans. We do this by unleashing America's potential for long-term economic growth, supply chain resiliency, human prosperity, and national security. The USPTO is working to: (1) accelerate the creativity that drives U.S. innovation in all its forms, and (2) bolster the adoption of that innovation in key and emerging technologies while bringing more Americans into the innovation ecosystem. Guided by this mission, the draft USPTO 2022-2026 Strategic Plan offers five goals that we aim to achieve.

Goal 1: Drive inclusive U.S. innovation and global competitiveness

Goal 2: Promote the efficient delivery of reliable IP rights

Goal 3: Promote the protection of IP against new and persistent threats

Goal 4: Bring innovation to positive impact

Goal 5: Generate impactful employee and customer experiences by maximizing agency operations

The draft plan reflects the leadership of Kathi Vidal, Under Secretary of Commerce for Intellectual Property and Director of the USPTO, with significant input from the USPTO's other senior leaders, employees, unions, the public, and the public advisory committees.

PROCESS FOR MONITORING PROGRESS

The USPTO uses a comprehensive strategic performance framework to guide and monitor implementation of the mission, goals, and objectives included in the draft USPTO 2022-2026 Strategic Plan. Senior leadership monitors implementation and performance on a quarterly basis. Many of our metrics are viewable online in the USPTO's [Data Visualization Center](#) and in its [Congressional Budget Justifications](#).

The USPTO's strategic goals align with DOC's strategic goals and objectives. They support DOC's strategic objective to "promote accessible, strong, and effective intellectual property rights to advance innovation, creativity, and entrepreneurship." In FY 2022, there were nine key performance indicators (KPIs) in support of DOC's strategic objectives. The USPTO reports the status of these KPIs to DOC on a quarterly basis. For more information about DOC's reporting, visit the Department's [Budget and performance](#) webpage.

PERFORMANCE DATA VERIFICATION AND VALIDATION

Per the requirements of the [Government Performance and Results Act \(GPRA\) Modernization Act of 2010](#), the USPTO is committed to ensuring that the performance information it reports is complete, accurate, and consistent. The USPTO developed a strategy for validating and verifying the quality, reliability, and credibility of its performance results, as discussed below.

Accountability: The responsibility for providing performance data lies with the managers of the USPTO programs, who are accountable for making certain that procedures are in place to ensure that data is accurate and performance measurement sources are complete and reliable.

Quality Control: With the support of information technology products, the USPTO program managers monitor and maintain automated systems and databases that collect, track, and store performance indicators. Each system incorporates internal program edits to control the accuracy of supporting data. Program managers evaluate data for reasonableness,

consistency, and accuracy. Cross-checks, among other internal, automated systems, also provide assurances of data reasonableness and consistency. In addition to the internal monitoring of each system, experts from outside the business units routinely monitor the data collection methodology. At the USPTO, the Office of the Chief Financial Officer is responsible for monitoring the agency's performance, providing direction on and support for data collection methodology and analysis, ensuring that data quality checks are in place, and reporting performance management data.

Data Accuracy: The USPTO verifies and validates performance measures periodically to ensure quality, reliability, and credibility. At the beginning of each fiscal year and at various points throughout the reporting or measurement period, sampling techniques and sample counts are reviewed and adjusted to ensure that data is statistically reliable for making inferences about the population. Data analyses, including the identification of statistically significant trends and underlying factors that may impact a specific performance indicator, are also conducted to assist the business units in interpreting program data.

SEEING OUR IMPACT

Each month, the USPTO seeks to inspire and encourage innovation by sharing relatable stories through [Journeys of Innovation](#), an online series that chronicles the journeys of inventors and entrepreneurs. We shed light on where they got their start, the challenges they faced, and what it took to bring their ideas to fruition and their brands to life. The stories also emphasize the importance of creating and protecting IP, and the critical role it plays in innovation.

ENABLING LEARNING AND IMPROVEMENT

The [USPTO's Learning and Resources](#) page provides a wealth of information, including details about upcoming events, training videos, statistics, data, National Inventors Hall of Fame and Museum programs, other programs and awards, and much more.

KEY TERMS AND DEFINITIONS IN THE DRAFT USPTO 2022-2026 STRATEGIC PLAN AND APPR

The [draft USPTO 2022-2026 Strategic Plan](#) is organized by Strategic Goals, Strategic Objectives, Strategies, and KPIs. This strategic planning structure follows the standardized Federal Performance Framework established in guidance from the Office of Management and Budget (OMB) and is used to organize content in all federal agencies' APPRs.

Within this APPR, a standardized table is used to show results and targets for KPIs for each strategic objective that is aligned with DOC's. The following list defines terms that are fundamental to strategic plans and APPRs:

Strategic Goal – Includes the goal statement and goal overview. This is the highest-level statement of aim or purpose that is included in the strategic plan. The strategic goals articulate the broad categories of action that the USPTO will take to advance its mission.

Strategic Objective – Includes the objective statement and the objective overview. This plan's 24 strategic objectives are the primary units for strategic analysis and decision-making. Strategic objectives state the outcomes or management impacts the USPTO is trying to achieve.

Strategy – Represents key approaches, initiatives, and tactics the USPTO will pursue to advance the related strategic objective.

Key Performance Indicator – A key performance measure used to track progress toward achieving a strategic objective. The USPTO measures and monitors the trends for these indicators.

Target – A quantifiable level of achievement used as a measure of strategic objective progress.

Baseline Value – A KPI level over one or more time periods to assess the appropriate level for future performance targets.

SUMMARY OF FY 2022 KEY PERFORMANCE INDICATOR RESULTS AND PROGRESS

Key Performance Indicator	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2022 Target	FY 2022 Status	FY 2023 Target	FY 2024 Target
Patent Total Patent Term Adjustment (PTA) Compliance - Mailed Actions	83.0%	83.0%	80.0%	80.0%	Met	80.0%	79.0%
Patent Total PTA Compliance - Remaining Inventory	88.0%	86.0%	85.0%	87.0%	Not Met	86.0%	86.0%
Patent Statutory Compliance Metrics (percent) 35 U.S.C. Section 101 (including utility and eligibility)	97.7%	98.3%	98.3%	94.0%	Met	94.0%	94.0%
Patent Statutory Compliance Metrics (percent) 35 U.S.C. Section 102 (prior art compliance)	94.3%	95.1%	95.3%	94.0%	Met	94.0%	94.0%
Patent Statutory Compliance Metrics (percent) 35 U.S.C. Section 103 (prior art compliance)	88.9%	90.7%	91.5%	91.0%	Met	91.0%	91.0%
Patent Statutory Compliance Metrics (percent) 35 U.S.C. Section 112 (35 U.S.C. Section 112(a), (b), including (a)/(b) rejections related to 35 U.S.C. section 112(f))	90.6%	92.2%	94.6%	92.0%	Met	92.0%	92.0%
Trademark Average First Action Pendency (months)	3.0	6.3	8.3	7.5	Not Met	8.5	8.5
Trademark Average Total Pendency (months)	9.5	11.2	13.8	13.5	Not Met	14.5	14.5
Percentage of prioritized countries for which IP country teams have made progress on at least three of the four performance criteria: a. Institutional improvements of IP office administration for advancing IP rights b. Institutional improvements of IP enforcement entities c. Improvements in IP laws and regulations	100%	100%	100%	66.0%	Met	66.0%	66.0%

Key Performance Indicator	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2022 Target	FY 2022 Status	FY 2023 Target	FY 2024 Target
d. Establishment of government-to-government cooperative mechanisms							
Percentage of customers who indicate positive satisfaction with designated priority services							
• Patents: Seeking assistance as a pro se applicant when filing a patent application						82.0%	TBD
• Trademarks: Filing an initial application form for a trademark registration						70.0%	TBD
Percentage of customers who indicate the employees they interacted with were helpful							
• Patents						82.0%	TBD
• Trademarks						75.0%	TBD

EXECUTIVE SUMMARY OF PROGRESS

The USPTO plays a critical role in promoting innovation by granting patents, registering trademarks, and helping to secure the IP rights of creators and entrepreneurs across virtually all sectors of the economy. For FY 2022, the USPTO met its target of 80% of total PTA compliance for mailed actions (i.e., office actions the agency mailed to applicants). An office action is an official letter from the patent examiner to the patent applicant during the patent examination process. The USPTO did not meet the PTA compliance target for remaining inventory (i.e., cases awaiting action from the USPTO); the PTA compliance result was 85%, 2% below the target. The underperformance was due to the increase in applications awaiting a first office action.

As part of its continued effort to issue robust and reliable patents, while improving the timeliness of examinations, in September 2022 the USPTO launched Similarity Search, an internal tool for patent examiners. This tool represents a significant advancement in leveraging the power of artificial intelligence (AI) to conduct patent searches. The Similarity Search capability enables patent examiners to search patent applications and provides new flexibilities to emphasize application text and patent classifications. The AI is powered by world-class models that calculate similarity based on

patent document text, classifications, document citations, and human ratings and feedback. This new capability searches across U.S. patents back to 1836, all U.S. pre-grant publications, and foreign image and text (FIT) foreign patent documents that are already available in the Patents End-to-End search tool. The Similarity Search capability is updated regularly with newly published documents.

As with patents, registered trademarks play a critical role in promoting innovation across virtually all sectors of the economy. The USPTO received 787,795 trademark application classes for registration in FY 2022. Although the rate of new trademark applications was approximately 20% lower than FY 2021's unprecedented high, trademark filings in FY 2022 were still roughly 7% higher than in FY 2020. While FY 2022 trademark applications decreased from the number received in FY 2021, the USPTO is still managing a historic unexamined application inventory resulting from a surge in applications coinciding with the global economic stimulus related to COVID-19 during the prior two years. As a result of high inventories and relatively finite examination capacity, the USPTO did not meet its two pendency targets for trademark applications in FY 2022. First Action Pendency was 8.3 months, 0.8 months higher than the top range of the target, or 7.5 months. The Total Pendency average was 13.8 months, 0.3 months higher than the target of 13.5 months. The USPTO met and exceeded all trademark quality targets. Compliance rates for trademark first and final office actions were 96.2% and 98.5%, respectively, versus the 95.5% and 97% target compliance rates. The Exceptional Office Action standard, which measures the quality and effectiveness of writing in trademark office actions, measured 60.3% as compared to a target of 50% for the year.

The USPTO trains audiences on best practices in IP protection and enforcement. In FY 2022, the USPTO conducted 222 training programs through its Global Intellectual Property Academy (GIPA), including programs coproduced with the USPTO's regional offices, serving over 18,600 individuals. Approximately 62% were patent, trademark, and copyright officials; prosecutors; police; customs officials; and policy makers from the United States and 162 other countries, including intergovernmental organizations. Approximately 38% of all attendees were representatives of U.S. small and medium-sized enterprises, IP practitioners, and IP owners and users.

The USPTO continues to work toward global IP harmonization. In FY 2022, the USPTO established cooperative agreements designed to improve IP systems and enhance the enforcement of rights with the IP offices of Japan, the European Union, Saudi Arabia, Malaysia, France, and Peru as well as the National Research Development Corporation of India and the World Intellectual Property Office. The USPTO and the International Trade Administration (ITA) also work with China to

implement better IP protections for trade secrets and patents, in accordance with the Economic and Trade Agreement between the Government of the United States of America and the Government of the People's Republic of China, with Phase One signed on January 15, 2020. The USPTO and the ITA participate robustly in U.S. government-wide trade policy processes to improve international IP protections and enforcement practices available to U.S. rights holders. These include bilateral and multilateral negotiations and dialogues, as well as annual country review processes such as Special 301.

The USPTO is a high impact service provider (HISP), as [identified by the OMB](#), and it conducts yearly customer experience (CX) capacity assessments and service improvement action planning, as well as publicly reports customer satisfaction and trust data quarterly. In FY 2022, the USPTO unified its CX efforts across Patents and Trademarks to become a single HISP and completed its first agency-wide CX Action Plan covering FY 2023 and FY 2024. In alignment with the [President's Management Agenda](#) and [Executive Order 14058, "Transforming Federal Customer Experience and Service Delivery To Rebuild Trust in Government,"](#) the USPTO prioritized improvements to the design and delivery of its services with an emphasis on meeting the needs of underserved communities, and it will provide additional assistance to pro se applicants when filing a patent application. Building on the HISP accomplishment in unifying the USPTO CX efforts across the agency, the USPTO has assigned a CX Executive to lead the efforts in meeting OMB HISP requirements and in establishing agency-wide CX governance to further streamline CX activities across the agency and establish the long-term sustainability of CX efforts. In FY 2022, the USPTO completed a new Paperwork Reduction Act generic clearance to allow for more rapid development of CX research information collections and public reporting and accountability for performance.

FY 2022 ACCOMPLISHMENTS BY STRATEGIC GOAL

In addition to the KPIs noted above, the USPTO accomplished many things in FY 2022. Below is a list of some of those accomplishments that align with the [draft USPTO 2022-2026 Strategic Plan](#).

GOAL 1: DRIVE INCLUSIVE U.S. INNOVATION AND GLOBAL COMPETITIVENESS

- Strengthened and expanded our work with other IP offices across the globe.
- Established cooperative agreements designed to improve IP systems and enhance the enforcement of rights with other IP offices around the world.
- Launched the [Women's Entrepreneurship initiative](#) (WE) to empower more women leaders.
- [Expanded the Council for Inclusive Innovation \(CI²\)](#) to become a cross-government initiative.
- Launched the USPTO's new [inclusive innovation page](#).
- Recognized our [innovation winners](#) for the Patents for Humanity COVID-19 Program.
- Enhanced our [U.S. Food and Drug Administration collaboration](#).
- Launched our [AI/ET \(Emerging Technology\) Partnership](#).
- Announced our joint study with the U.S. Copyright Office to consider IP law and policy issues associated with non-fungible tokens.
- Collaborated with the International Group of Seven (G7) IP offices on expanding innovation and entrepreneurship and respect for the same.
- Conducted successful trilateral meetings in North Carolina with the European Patent Office and the Japan Patent Office, focusing on how our offices can collaborate more closely to support small to medium-sized enterprises.
- Issued a report titled "[Where are U.S. women patentees? Assessing three decades of growth](#)." This report examines the geographic location of women in patents to better understand economic and socioeconomic correlations with patenting by women.
- Expanded our [pro bono programs](#) to support under-resourced inventors and entrepreneurs, including offerings to patent owners via a new [Patent Trial and Appeal Board \(PTAB\) clearinghouse program](#) with the PTAB Bar Association, and to brand owners via a [Trademark Trial and Appeal Board \(TTAB\) clearinghouse program](#) with the

International Trademark Association, and the addition of five new universities to our [Law School Clinic Certification Program](#).

- Served as Federal Co-Chair of the Economic Development Administration’s [National Advisory Council on Innovation and Entrepreneurship](#) to identify and recommend solutions aimed at perpetuating the innovation economy, including growing a skilled STEM workforce and removing barriers for entrepreneurs ushering innovative technologies into the market.
- Conducted national outreach events that connected more than 2,000 stakeholders with information and resources, with nearly 1,000 of them attending our popular Invention-Con and Veterans Innovation and Entrepreneurship Program events.
- Provided more than 50 teachers with a crash course in IP as part of our week-long [National Summer Teacher Institute](#) to encourage IP education in more academic curricula across the country—with plans for future scaling.
- Educated nearly 250,000 children in innovation, entrepreneurship, creativity, and the IP that protects it, as well as respect for IP, through our collaboration with the National Inventors Hall of Fame and [Camp Invention](#).

GOAL 2: PROMOTE THE EFFICIENT DELIVERY OF RELIABLE IP RIGHTS

Patent Program:

- Changed the process for routing and classifying patent applications so they are directed to the examiner best positioned to assess the case in support of our commitment to processing patent applications in a timely manner.
- Implemented several leading-edge measures to streamline the patent examination process and help examiners more easily access prior art, including incorporating AI into the Patents End-to-End (PE2E) search tool to help examiners identify relevant documents, provide suggestions for additional areas to search, and automatically capture feedback data from examiners to help the AI systems “learn” over time.
- Created new patent collaboration tools for the assessment of patents with multiple technologies.
- Announced a new expedited patent examination program for [green tech](#) and an expanded [Cancer Moonshot initiative](#).
- Conducted Site Experience Education programs with nearly 800 patent examiner participants.
- [Called on stakeholders](#) to further collaborate with examiners through our successful training programs.

- Hosted five [Stakeholder Training on Examination Practice and Procedure](#) events for more than 170 patent agents, attorneys, and inventors.
- [Withdrew the 2013 and 2019 Standards-Essential Patents policy statements](#) in favor of working with the National Institute of Standards and Technology on a plan, to launch in 2023, for expanding U.S. innovation and implementation in the standards space.

Trademark Program:

- Launched TM Exam, a browser-based, end-to-end examination system for all examining attorneys, to improve the efficiency and quality of examinations.
- Established a Trademark Academy for examining attorneys.
- Responded to increased pendencies and unexamined trademark application inventory by expanding production capacity by hiring additional examination staff and integrating efficiencies across the organization through information technology and strategic management initiatives.
- Enhanced the robustness and reliability of our trademark registrations.

GOAL 3: PROMOTE THE PROTECTION OF IP AGAINST NEW AND PERSISTENT THREATS

- Successfully implemented the Trademark Modernization Act (TMA). Trademark timeliness and quality are critically important to the mission, but integrity of the trademark register has become a major priority in recent years as well.
- [Implemented identity verification](#) for all trademark filers.
- [Registered USPTO marks](#) to thwart fraudulent solicitations made by scammers to trademark customers.
- [Issued sanctions and show cause orders](#) against dozens of trademark parties for violations of our rules of practice and website terms of service.
- In partnership with the ITA, supported the [STOPfakes](#) program, which provides expertise and resources to U.S. businesses and consumers on the importance of protecting IP.
- Enhanced the popular [Go for Real campaign](#) with the National Crime Prevention Council to educate youth on the dangers and costs of counterfeit products.

- Solicited stakeholder feedback on our patent subject matter eligibility (35 U.S.C. section 101) guidance and on whether our laws incentivize innovation, better positioning our agency to address these critical issues through rulemaking, in Congress, and in the courts in 2023.
- Created more clarity and certainty around the PTAB Director Review (DR) and discretionary denials processes and positioned ourselves to start policymaking through notice-and-comment rulemaking in 2023.
- [Published requests for comments](#) to expand the patent bar and practice before the PTAB and to consider a design patent bar, positioning ourselves to go through notice-and-comment rulemaking on these topics.

GOAL 4: BRING INNOVATION TO POSITIVE IMPACT

- Signed Memorandums of Understanding with:
 - The World Intellectual Property Organization to expand our climate and green tech work and our standards initiatives.
 - The U.S. Intellectual Property Association to expand our CI² initiatives.
 - The U.S. Small Business Administration to collaborate on ways to streamline our resources and trainings for aspiring and current entrepreneurs.
- Collaborated with universities, including Minority Serving Institutions, to expand tech transfer programs.
- Expanded pro bono offerings to include advice on licensing.
- Through WE, worked to provide information to entrepreneurs on where to seek government and private funding.

GOAL 5: GENERATE IMPACTFUL EMPLOYEE AND CUSTOMER EXPERIENCES BY MAXIMIZING AGENCY OPERATIONS

- Maintained remote workforce in 50 states and U.S. territories.
- Changed hiring and promotion practices to provide more opportunities for all.
- Brought on the first-ever [Diversity, Equity, Inclusion, and Accessibility Advisor](#).
- Celebrated the induction of 27 new members into the National Inventors Hall of Fame, including the first two Black women inductees.
- Hosted Director-led internal small listening sessions with between 1,000 and 1,500 employees in total, generating ideas on how to make the agency better, including for our stakeholders.

- Expanded offerings to individual inventors, entrepreneurs, and startups.
- Provided key trainings, such as our [Path to a Patent](#) and [Trademark Basics Boot Camp](#) series, to thousands of current and aspiring inventors and entrepreneurs.
- Created a new [Engage with the Director webpage](#) and a similar internal page to provide feedback directly to USPTO leadership.
- Launched the Director's Speaker Series with new content on softer skills, motivation, health and wellness, and opportunity.
- Launched an internal Director blog for direct communication to the workforce.
- Promoted the [USPTO student programs](#), which offer unique IP opportunities to students to leverage their skills while building new ones for continued growth.

ACTIONS TO ADVANCE PROGRESS THROUGH FY 2024

The USPTO will focus on PTA timeframes to reduce the number of PTAs issued and to provide robust and reliable IP. Reducing the number of PTAs issued provides consistent pendency for all applications, reduces uncertainty in the marketplace, and ensures that patents expire and become available to the public at the statutorily defined time of 20 years from filing. The terms “robust” and “reliable” apply to patents the USPTO issues in compliance with all the requirements of title 35 of the U.S.C. as well as the relevant case law at the time of issuance. The USPTO will develop the examining corps by investing in a range of opportunities for technical and legal training. These opportunities include training on subjects related to 35 U.S.C. sections 102, 103, 101, and 112, and to searching. Additionally, the USPTO will train stakeholders on USPTO practices and procedures to improve applicant submissions, including initial filings and USPTO action responses, and to improve collaboration between applicants and examiners. Further, the USPTO’s quality assurance program remains the agency’s foundation for assessing its multiple efforts to improve, issue, and maintain robust and reliable IP. Under this program, the USPTO reviews a random sample of patent examiners’ work products to provide timely, reliable, and meaningful indicators of examination quality.

The USPTO will continue exploring opportunities to make trademark examination more efficient, especially considering the uncertainty of incoming application demand levels. The USPTO will also continue using its administrative sanctions program as a deterrent for suspicious trademark activities.

Live [STOPfakes](#) Roadshows continued to resume in FY 2023 with speakers from the ITA, the USPTO, the Federal Bureau of Investigation, Customs and Border Protection, and the Department of State. The STOPfakes team also returned to the CES conference and plans for several roadshows throughout the country, including in Wisconsin, California, and Maine.

The USPTO will provide training to foreign government agencies and capacity building to a variety of audiences to promote protection and enforcement of American innovators’ and creators’ IP in the United States and abroad. Progress continues toward cooperative agreements with the IP offices in Laos, Moldova, Egypt, Tunisia, Qatar, Taiwan, Nepal, Morocco, Malaysia, and Indonesia to improve IP systems and the enforcement of IP rights. The USPTO is in the process of selecting an IP Attaché to staff a new position in Johannesburg, South Africa, that is projected to begin in 2023. The ITA will work with the USPTO, the IP Attachés, and other agency experts to help stakeholders address IP-related trade impediments arising in foreign markets, as well as to develop additional digital resources and educational programming.

Regarding our CX efforts, the USPTO seeks to expand its CX capabilities to:

- Better collect and analyze customer feedback using the new Qualtrics platform.
- Clarify definitions of user needs and experiences the USPTO is responsible for delivering and organize delivery around these needs and experiences.
- Identify actionable insights into where experience can be improved.
- Prioritize actions and act to improve the customer experience.

For the remainder of FY 2023, the USPTO will complete its OMB CX Annual Capacity Assessment, provide updates on FY 2023 and FY 2024 Action Plans, and begin developing FY 2025 Action Plans on its designated high impact services. The USPTO will meet the new OMB requirement to collect and report customer feedback quarterly for its specific designated services on [performance.gov](https://www.performance.gov).

FY 2023 TOP MANAGEMENT CHALLENGES

DOC's Office of Inspector General (OIG) is required to report annually the most serious management and performance challenges facing DOC. The OIG identified nine [management challenges within the Department for FY 2023](#). The USPTO was noted under "Challenge 9: Strengthening U.S. Leadership in Intellectual Property." A brief description of these issues is below:

- Continuing efforts to improve and maintain patent quality and service
- Protecting and supporting registration processes and trademark owners
- Improving critical mission support functions

FY 2023 TOP MANAGEMENT CHALLENGES ACTION PLAN

The USPTO is making progress on implementing the FY 2023 action plan it submitted to DOC regarding Challenge 9. Below is a summary of what the USPTO submitted to DOC:

Key actions:

- I. Improve and maintain patent quality and service
 - Quality
 - Increase examiners' technical knowledge
 - Provide training programs for external stakeholders to increase knowledge base
 - Encourage DOCX filing
 - Customer perception
 - Conduct a semi-annual quality perception survey of frequent filing customers
 - Provide guidance on the interim PTAB Director Review (DR) process so stakeholders can file requests for DR and to allow stakeholders to independently identify when DR is requested and if requests were granted/denied
 - Obtain stakeholders' feedback on the DR process and ensure their feedback is incorporated into formalized DR processes

- II. Protect and support registration processes and trademark owners
 - Increase the use of register protection tools by increasing capacity and customer engagement
 - Improve efficiency with technology and training
 - Optimize examination workflow productivity
 - Protect the trademark register

- III. Improve critical mission support functions
 - Address the oversight of contract management
 - Improve collaborative acquisition planning
 - Create/enhance tools and policy to encourage timely information sharing between the Office of Procurement and the program offices
 - Implement tools/practices to enhance contract oversight and administration through workload distribution
 - Enhance compliance with contractor performance reporting

Performance indicators/milestones:

- I. Improve and maintain patent quality and service
 - Quality
 - Monitor/report statutory [compliance results](#) and customer perception (net promoter score) of training programs for external stakeholders
 - Provide stakeholders with training via a [DOCX promotional YouTube video](#), host public [DOCX training/outreach](#) sessions, and provide access to the [DOCX webpage](#) with FAQs and templates
 - Maintain public-facing webpages to share information on the [interim DR process](#), updates to the process, the way to file a DR request, the requests received, and decisions on [issued DR requests](#).
 - The request for comments on the DR process was issued and closed in October 2022. The USPTO will formalize the DR process after considering the feedback by issuing a notice of proposed rulemaking.

- II. Protect and support registration processes and trademark owners
 - Increase the number of [Petitions/Director-initiated TMA proceedings](#)

- Increase the number of administrative orders and/or increase the number of applications or USPTO.gov accounts affected by administrative orders
- Publish a database of administrative orders and TMA petitions by the end of FY 2023
- Expand the register protection team
- Develop AI and Robotic Process Automation capabilities for future deployment, to enhance the examination process
- Deploy new electronic filing system
- Deploy the trademark virtual assistant chatbot
- Pendency reduction initiatives
 - Hire more examining attorneys: 90+ in FY 2023
 - Launch TM Exam
 - Pilot the use of non-lawyers in the examination process
 - Streamline the application process

III. Improve critical mission support functions

- Complete automated milestone plans that identify an acquisition's critical path and enable tradeoff decisions for the Office of Procurement and the program offices
- Track and monitor the efficacy of acquisition teaming arrangements
- Review/assess policies to improve acquisition user understanding and compliance
- Monitor cycle time for completing evaluations/assessments to comply with policy
- Monitor [Contractor Performance Assessment Reporting System](#) reporting compliance to promote timely completion of required reviews
- Timely processing of undelivered obligations

OTHER INFORMATION REQUIRED IN 35 U.S.C. SECTION 13

The USPTO is required to report on a variety of topics that were not included in the FY 2022 AFR. 35 U.S.C. section 13 states, “The [Director](#) shall report to the Congress, not later than 180 days after the end of each fiscal year, the moneys received and expended by the Office, the purposes for which the moneys were spent, the quality and quantity of the work of the Office, the nature of training provided to examiners, the evaluation of the Commissioner of Patents and the Commissioner of Trademarks by the Secretary of Commerce, the compensation of the Commissioners, and other information relating to the Office.”

The moneys received and expended by the USPTO, the purposes for which the moneys were spent, and the quality and quantity of the work of the USPTO were reported in the [USPTO’s FY 2022 AFR](#).

Below are the remaining items from FY 2022 that the USPTO is required to report: the training of examiners, compensation of the Commissioner of Patents and the Commissioner of Trademarks, and other information relating to the agency.

TRAINING PROGRAMS WITHIN PATENTS

Achieving excellence within the global IP community requires a highly skilled and expertly trained workforce to provide high-quality and efficient examination of patent applications. In FY 2022, the USPTO incorporated best practices from academia to create more effective training. The USPTO conducted approximately 420,000 hours of patent examination training and more than 84,000 hours of other types of training for Patents employees. The USPTO continues to improve the delivery of staff training in the virtual environment.

Patent examination training

- **New Patent Examiner Training:** This two-phase, year-long examiner training program is mandatory for new patent examiners. During the training, patent examiners receive an in-depth introduction to U.S. legal statutes and rules pertaining to patent examination, technical subjects, and soft skills needed to succeed as a patent examiner. The first phase of this program is a four-month “residency” in the Office of Patent Training. In the second phase, patent examiners work in their Technology Centers and receive just-in-time training throughout the rest of their

first year. In FY 2022, 312,324 hours of patent examination training were conducted for 622 newly hired patent examiners.

- **Patent Examiner Refresher Training Program:** This optional program provides patent examiners with at least one year of patent examining experience the opportunity to register for and take a variety of refresher courses. Refresher courses are designed to keep patent examiners current on the knowledge, skills, and abilities related to procedures, legal matters, communication, and automation. In FY 2022, there were 135 patent examiner refresher trainings provided with 11,841 participants, for a total of 21,233 hours.
- **Master Class Program:** This optional program is for patent examiners with at least one year of patent examining experience who want to delve deeper into topics more specific than those covered as part of the Patent Examiner Refresher Training Program. Courses include 1.130 AIA Declarations of Attribution or Prior Public Disclosure, Cooperative Patent Classification, and Examination of Ranges. In FY 2022, 20 master class programs attracted 1,714 participants, for a total of 2,534 hours.
- **Patent Corps Examination Training:** These mandatory or elective training courses are designed to bring consistency to the application of patent examination policy, practice, and procedures across technologies. A recent course was titled “Case Law Review: Recent Federal Circuit and Supreme Court Decisions.” In FY 2022, the USPTO provided a cumulative total of 40,389 hours of mandatory examination training.
- **Patent Quality Chats for Patent Examiners (QChats):** This optional series provides examiners with the opportunity to interact with subject matter experts. The program provides participants with a brief presentation followed by a question-and-answer period to allow participants to ask questions about the specific topic being discussed. In FY 2022, there were four QChats held with 2,173 participants, for a total of 2,173 hours.
- **In-house Patent Law and Evidence Course:** This mandatory training is required for all GS-12 patent examiners. It covers authoritative court decisions concerning statutory issues under 35 U.S.C. sections 101, 102, 103, and 112 and decisions concerning the handling of evidence during the examination of applications. In FY 2022, 4,680 hours of Patent Law and Evidence training was delivered to 117 participants.
- **Patent Examiner Technical Training Program (PETTP):** The PETTP provides examiners with the opportunity to engage with and learn from experts in their field so that they stay up to date on the latest developments and trends. Scientists, engineers, professors, industrial designers, and other technology experts volunteer to teach patent examiners about their areas of expertise. Volunteers come from dozens of Fortune 500 companies and educational institutions. These presenters cover technological advances, emerging trends, and recent innovations in

their respective fields. The USPTO hosts these trainings in the virtual environment to allow the experts to provide training from anywhere, including their office or even their own home. In FY 2022, there were 766 events with 29,612 participants, for a total of 40,012 hours (4.93 hours on average per examiner).

- **Site Experience Education (SEE):** This unique program provides technology education at its source. It affords groups of patent examiners the opportunity to visit sites of innovation within the continental U.S., where they receive updates on current and emerging technologies and view technology first-hand. This program was affected by travel restrictions due to COVID-19, but currently the travel restrictions have been lifted, and the USPTO is beginning to plan visits to different sites of innovation. In FY 2022, the USPTO had one SEE trip and sent 18 primary examiners and two supervisory patent examiners (SPEs) to Chicago to attend the American Chemical Society annual meeting, which was held in August of 2022 and resulted in approximately 500 hours of training.
- **Aspiring Managers Program:** This cohort-based program combines five types of developmental practices, including assessments, classroom training, interactive workshops, shadowing, and mentoring, to assist in developing leadership, interpersonal, and technical skills necessary to become a manager within the Patents organization. This five-month training program for experienced Patents operations employees with full-signatory authority incorporates all 10 USPTO Leader Profile Qualities within the curriculum to aid in employees' leadership development as they look to establish their career path. Since the implementation of this program in December 2017, five sessions have been completed with 135 participants, resulting in 26 participants being selected into managerial positions as either SPEs or SPE Trainers. In FY 2022, 24,974 hours of training were delivered to 30 participants.
- **Non-duty Hours Legal Studies Program:** This program aims to provide additional legal training to increase knowledge throughout the Patents organization. It allows the USPTO to reimburse eligible employees for tuition at accredited law schools to increase their depth of legal knowledge, as long as the courses taken are mission-related and are needed to earn a Juris Doctor degree. In FY 2022, there were 36 active participants in this program, with 100% tuition coverage.
- **Non-duty Hours Technical Training Program:** This program is voluntary and aims to develop and maintain a highly skilled workforce by enhancing employees' technical knowledge, skills, and abilities. This program allows the USPTO to reimburse eligible employees for technical courses taken at accredited colleges and universities. In FY 2022, there were 42 active participants in this program.

Other types of training for Patents employees

- **Patent Administrative Continued Education (PACE):** PACE was launched in FY 2019 to provide critical educational opportunities for administrative staff of the USPTO. The program includes a dynamic curriculum that focuses on employee engagement and adult learning opportunities to enhance the personal and professional development of administrative staff. In the PACE program, 30,419 hours of training were provided to 2,252 participants in FY 2022. PACE encompasses a variety of programs, including the Upward Mobility Program.
- **Upward Mobility Program (UMP):** The largest component of PACE is the UMP, an important tool for succession planning and helping USPTO managers and supervisors ensure that appropriate talent exists to carry out the USPTO's mission. With appropriate training, the UMP provides specific career development opportunities for employees who are in positions or occupational series that offer limited opportunities for advancement. In FY 2022, 19,864 hours of training were delivered to 1,123 UMP participants.

TRAINING PROGRAMS WITHIN TRADEMARKS

Trademark examining attorney training

- **New Trademark Examining Attorney Training (Trademark Academy):** This two-phase, year-long examining attorney training program is mandatory for new trademark examining attorneys. During the training, trademark examining attorneys receive an in-depth introduction to U.S. legal statutes and rules pertaining to trademark examination, technical systems, and soft skills needed to succeed as a trademark examining attorney. The first phase of this program is a two-month foundational training. In the second phase, trademark examining attorneys work in the Academy law offices and receive continuing training throughout the rest of their first year. In FY 2022, 30,598 hours of trademark examination training were conducted for 90 newly hired trademark examining attorneys.
- **Identification and Classification Training:** In FY 2022, the Trademark Classification Policy and Practice Unit provided "Identification and Classification Refresher" training to eight law offices consisting of examining attorneys with at least one year of trademark examining experience. This training program provided a refresher on identification and classification principles, reminders of common identification and classification errors queried in the Electronic Official Gazette, and guidance and tips on avoiding these errors. These one-hour training sessions were provided to over 200 examining attorneys in eight law offices. In addition, "Noteworthy Changes in USPTO

Trademark Classification Policy and Practice Under the Nice Classification, Eleventh Edition, Version 2022 (Nice 11-2022)” training was given. The optional one-hour training was designed to keep trademark examining attorneys, managing attorneys, senior attorneys, examination policy attorneys, and paralegals current on changes to identifications and classification practice with the adoption of the Nice Classification, Eleventh Edition, Version 2022, effective January 1, 2022. Over 500 people attended this training.

- **Examining Attorney Training:** In FY 2022, the Trademarks organization identified areas of examination that contain new or novel concepts. Live and webcast training sessions and modules were developed and released that covered the examination of new information technology marks. This program resulted in 1,436 hours of training.
- **TM Refresh:** In FY 2022, the Trademarks organization analyzed data from quality reviews of Trademarks work product to identify areas of examination that would benefit from refresher training. Live and webcast training sessions and modules were developed and released that covered the following topics and that resulted in 2,154 hours of training:
 - X-Search refresher
 - Section 2(e)(1) and 2(e)(2) considerations
 - Distinctiveness considerations
- **Trademark Law Library Training:** The Trademark Law Library offers webcast training to attorneys on evidence gathering resources, tools, and techniques used in the course of application examination. In FY 2022, librarians delivered 23 group and individual training sessions to examining attorneys, legal policy office attorneys, and TM Flex contractors. Trainings were provided at the Trademark Academy, at law office and legal policy office unit meetings, as 15-minute “flash trainings” the first two months of each quarter, and one-on-one upon request from Trademarks staff and TTAB judges. FY 2022 topics included:
 - Lexis+ replacement of Lexis Advance for examining attorneys
 - Searching with Lexis+ for legal policy attorneys and TM Flex contractors
 - Searching for news articles in Lexis+
 - Searching for TTAB cases in Lexis+
 - Overview of library services, resources, and tools for the Trademark Academy
 - Google advanced search training
 - Beyond the basics: research tips for 2(d) refusals
 - “New-ish” library resources

- Legal research refresher for ID/class attorneys
- **International Trademark Association (INTA) Industry Training:** The Trademarks organization partners with the INTA to provide industry-specific training on current issues in trademark examination practice. These programs are webcast live and recorded for later viewing by trademark examining attorneys. Recent topics include the cannabis industry, blockchains and cryptocurrencies, and the chocolate industry.
- **Law Office Training:** Law office managing and senior attorneys train examining attorneys on administrative processes and procedures specific to the examination of trademark applications as well as on helpful skills for their role as examining attorneys.
- **Trademark Office Professional Staff (TOPS) Training:** The TOPS program provides webcast training to professional staff and new employees on the entire application process, focusing on the roles and responsibilities of individual business units throughout the Trademarks organization and providing an overview of the trademark examination process.

Other types of training for Trademarks employees

- **TM Talks Supervisor Training:** TM Talks was launched in FY 2017 to provide on-the-job training and development for Trademarks supervisors that is tailored specifically to Trademarks' organizational goals. Each year, the trainings highlight topics of relevance to new and existing Trademarks supervisors, such as merit system principles, labor relations, management of virtual employees, business processes, problem solving, project management, and ways to deal with difficult situations. In FY 2022, the Leadership Development Committee held four TM Talks sessions, reaching a total of 224 live attendees over the course of the programs. Sessions were recorded for later viewing by interested supervisors. The sessions covered petitions processes and Trademarks work-at-home policies, and two sessions related to performance reviews were designed to prepare supervisors for writing mid-year and year-end performance reviews. Future sessions will be offered following a survey of supervisors and a review of the Enterprise Training Division's Training Needs Assessment.
- **Leadership Journey Series:** In FY 2022, the Leadership Development Committee relaunched and expanded its Leadership Journey Series, which is designed to highlight the leadership stories of and lessons learned by Trademarks and agency leaders. The series consists of an hour-long moderated session each quarter and leverages the institutional knowledge and real-world experiences of our employees, focusing on their career paths, aspirations, and leadership theories, and the situations that shaped their journeys. The series is meant to inspire

others and provide insights on serving as a leader at the USPTO. In 2022, the series was expanded and offered to all Trademarks employees, including those who currently serve as a leader, aspire to a leadership position, or choose to lead without a formal title.

- **Other Supervisor Training:** Trademarks supervisors took part in the “Leading at the Speed of Trust” training, in which they learned about the process for creating a high-trust culture in their units. In addition, supervisors had access to LinkedIn Learning courses during FY 2022.
- **Trademark Service Units Training:** Legal instrument examiners and legal specialists in the Trademark Service Units are given new employee training and ongoing educational training regarding specific units within the Trademarks organization. These include the Pre-Exam, Legal Instruments, Intent to Use, Madrid Processing, and Post Registration units.

COMPENSATION OF THE COMMISSIONERS

The Commissioners for Patents and Trademarks each had FY 2022 performance agreements with the Secretary of Commerce that outlined the measurable organizational goals and objectives for which they were responsible. The Commissioners may be awarded a bonus (of up to 50% of their base salary, so long as it does not exceed the aggregate salary limitation that is equivalent to the Vice President’s salary) based on a performance evaluation defined in their agreement. In FY 2021, the Commissioner for Patents received a bonus of 28.1% of the base salary. In FY 2021, the Commissioner for Trademarks received a bonus of 20.1% of the base salary. (The FY 2021 information is being reported since it was not available at the time of the PAR publication.) In FY 2022, the Acting Commissioner for Patents received a bonus of 15% of the base salary. In FY 2022, the Commissioner for Trademarks received a bonus of 9.82% of the base salary.

CLOSING

All Americans—regardless of race, gender, geography, or economic conditions—should have the opportunity to innovate and reap the rewards from innovation through entrepreneurship and commercialization. Ensuring equitable access to the U.S. IP system is a critical component of fueling the nation’s economic engine. The USPTO will engage with the public to bring awareness of and accessibility to the innovation ecosystem through various means, including its [inclusive innovation efforts](#), [CI²](#), [WE initiative](#), [internships](#), [legal assistance programs](#), [K-12 educational material](#), and much more.

Looking forward, the USPTO is working to drive innovation, entrepreneurship, and creativity for the benefit of all Americans and people around the world. The USPTO will continue to work to deter instances of fraudulent and suspicious applications, reduce the backlog of patent and trademark applications, rethink the way we work and stay connected in a hybrid environment, and ensure our information technology systems are resilient and secure in accordance with [Executive Order 14028, “Improving the Nation’s Cybersecurity.”](#)

If you have any questions about this report, please email annualreports@uspto.gov. You may also reference the [USPTO’s financial and performance page](#) for more information on strategic planning, budgeting and finance, annual reports, and fee setting and adjusting.